

# HONG KONG AS A LEADING STARTUP DESTINATION



Hong Kong is home to a thriving, international startup ecosystem, where business opportunities abound for startups from diverse industries. The ecosystem has grown from strength to strength, and is showing remarkable resilience despite challenging global economic conditions. Hong Kong's appeal as a startup hub spans from the city's enduring competitive advantages, its legendary entrepreneurial spirit and access to markets in China and across Asia, and supported by government policies to further fuel the growth of the ecosystem.

## HONG KONG'S BUSINESS ADVANTAGES



### Low and Simple Tax Rate

- Tax rate at 8.25% for the first HK\$ 2M (US\$ 256K) profit and 16.5% for remaining
- No VAT/GST/sales tax, capital gains tax and withholding tax on investments



### Rule of Law and IP Protection

- Independent judiciary
- Only common law jurisdiction in China
- Premier IP trading hub in Asia



### Strong Talent Pipeline

- 5 universities in World Top 100 (QS World University Rankings 2020)
- Bonus points for visa applications for 11 professions under the Talent List programme



### Excellent Market Accessibility

- Greater Bay Area: China's wealthiest urban cluster; high-end manufacturing hub; testbed for innovative solutions
- Free Trade Agreement with ASEAN countries

## GOVERNMENT SUPPORT

The Hong Kong Government is committed to helping startup founders to realise their dreams and vision. A wide range of initiatives have been put forward to support startups in their entrepreneurial journey.



### Comprehensive Funding Schemes

- Financial support in areas of research & development activities, hiring of tech talent, business development and overseas expansion
- "Four-in-One" SME Centres for fund application advice



### Proof of Concept

- Regulatory sandboxes for pilot trials of fintech solutions
- Govtech matching (Smart Government Innovation Lab, EMSD InnoPortal)



### Visa Programmes for Tech Talent

- Fast-track visa programme to admit overseas and Mainland technology talent (TechTAS, Quality Migrant Admission Scheme, Talent List)



### Publicly-funded Programmes

- Incubation and soft-landing programmes tailored to startups of different industries at HKSTP and Cyberport
- Benefits include seed funding, mentorship, work space and access to investor and corporate networks





## DIVERSE INCUBATORS & ACCELERATORS

Hong Kong's vibrant startup ecosystem is underpinned by a number of private and publicly-funded incubators and accelerators providing general and specific programmes for startups e.g. fintech, Internet of Things, artificial intelligence and foodtech etc. These accelerator programmes provide support, mentorship, and in some cases funding to help startup founders succeed in their ventures.

See details about different incubators and accelerators:



## VIBRANT PRIVATE FUNDING LANDSCAPE

While incubators and accelerators may provide financial support for early stage startups for prototyping and proof of concept development, venture capital and private equity firms provide funding opportunities to help growing startups scale their business to the next stage.



Hong Kong is the world's No. 1 for IPO funds raised for the 7<sup>th</sup> time in the past 11 years. Pre-revenue biotech companies and high-tech companies with weighted voting rights are now allowed to raise funds in Hong Kong, thanks to the reforms in the listing rules of the HKEX. The new listing regime also gives impetus to secondary listings of mainland Chinese technology companies such as Alibaba, JD.com and NetEase. With wider funding options available for innovative ventures, Hong Kong is well-positioned to become a capital market hub for new economy companies.

## StartmeupHK

StartmeupHK can help advise and guide you to make Hong Kong your startup home. Our team is a division of InvestHK, a Hong Kong Government Department that provides free services to support overseas companies to set up in the city.



### Planning

- Advising on startup opportunities in Hong Kong and beyond
- Advising on living and working in Hong Kong



### Set-up

- Providing sector-specific information, support with visa applications etc.
- Arranging meetings with service providers and government departments



### Launch

- Introduction to startup ecosystem stakeholders
- Marketing and PR support services



### Expansion

- Networking opportunities
- Information on startup events

